A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — OCTOBER 1991

INDUSTRY NET SHIPMENTS DOWN 2.0 PERCENT

Preliminary figures for eight months of 1991 indicate that total industry net shipments totaling 10,541 million pounds, decreased 2.0 percent from the eight months 1990 total of 10,756 million pounds. Domestic shipments, totaling 8,506 million pounds, decreased 6.2 percent from the 1990 total of 9,072 million pounds.

U.S. exports of aluminum ingot and mill products totaled 2,034 million pounds during eight months of 1991, increasing 20.8 percent over the eight months 1990 total of 1,684 million pounds. During the same period, U.S. imports totaling 2,046 million pounds, decreased 8.3 percent from the eight months 1990 total of 2,232 million pounds.

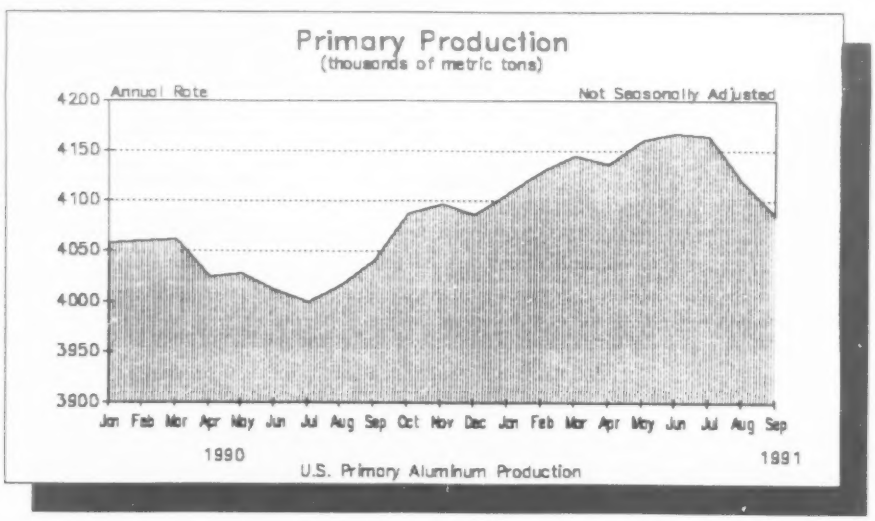
THRU AUGUST 1991

	1991 8 Mos.	1990 8 Mos.	% Change
Mill Products	8,385	8,884	-5.6
Ingot	2,155	1,872	15.1
Total	10,541	10,756	-2.0
Less Exports	2,034	1,684	20.8
Domestic Total	8,506	9,072	-6.2

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

SEPTEMBER PRODUCTION AVERAGES 11,193 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,193 metric tons daily during September 1991. This compares with an average of 11,073 metric tons a day in September 1990 and 11,287 metric tons a day in August 1991. The annual rate of production in September 1991 was 4,085,396 metric tons compared with 4,041,694 metric tons in September 1990 and 4,119,625 metric tons in August 1991. Production in September 1991 totaled 335,786 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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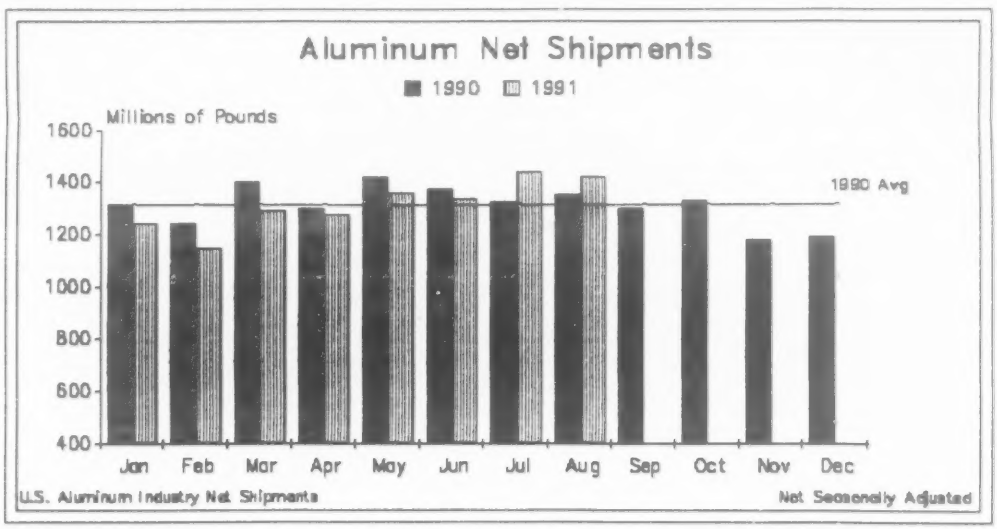
AUGUST SHIPMENTS REPORTED AT 1,424 MILLION POUNDS

According to Bureau of the Census reports, August industry net shipments totaling 1,424 million pounds, decreased 1.3 percent from the previous month's revised total of 1,443 million pounds. Compared to the previous year, reported year-to-date industry net shipments of 10,541 million pounds, declined 2.0 percent from the 1990 total of 10,756 million pounds.

As we reported in last month, the association believes that net ingot shipments, totaling 2,155 million pounds for eight months of 1991, may be substantially overstated because of current industry record keeping methods. Industry shipments to domestic LME warehouses and the resumption of shipments to the national stockpile may be included in net shipments but do not reflect industry demand.

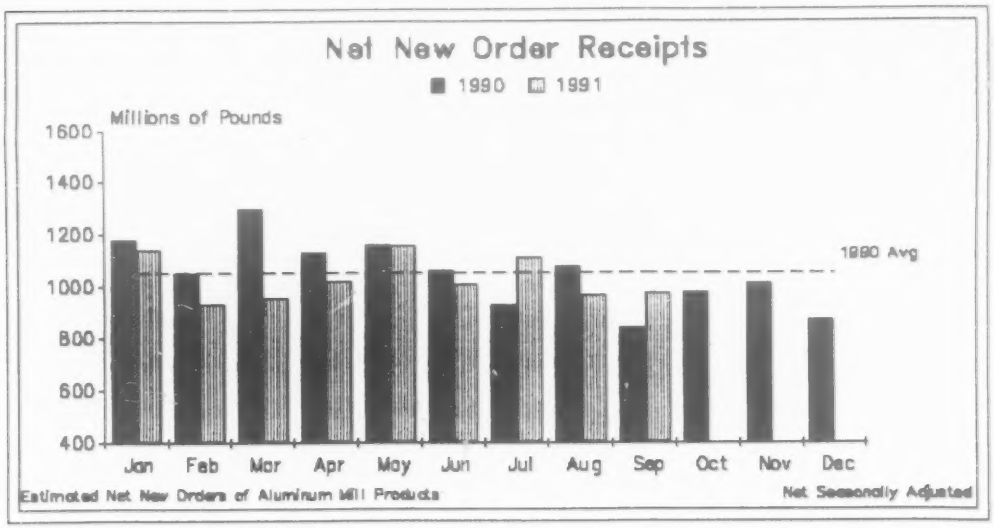


NET SHIPMENTS (Millions of Pounds)	1991 Aug.	1990 Aug.	1991 8 Mos.	1990 8 Mos.	% Change 1991 vs 1990
Sheet	643.3	668.1	4,852.8	4,908.6	-1.1
Plate	21.4	24.1	178.6	186.7	-4.4
Foil	74.5	71.0	556.0	580.5	-4.2
Rod,Bar & Wire	18.8	26.2	160.7	192.9	-16.7
Elec. Conductor	46.8	48.7	382.4	381.2	0.3
Extruded Shapes,Tube	211.3	227.4	1,544.6	1,774.1	-12.9
Powder & Paste	9.2	9.7	66.2	66.5	-0.4
Forgings & Impacts	9.3	13.7	95.7	105.7	-9.5
Imports of Mill Products (Total) (a)	66.6	82.0	548.4	687.7	-20.3
Total Mill Products	1,101.2	1,170.9	8,385.5	8,883.9	-5.6
Ingot	322.6	182.6	2,155.1	1,871.8	15.1
TOTAL INDUSTRY SHIPMENTS	1,423.8	1,353.5	10,540.5	10,755.8	-2.0
Exports	313.7	180.8	2,034.1	1,684.2	20.8
TOTAL DOMESTIC SHIPMENTS	1,110.2	1,172.7	8,506.4	9,071.6	-6.2

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cumulative data includes revisions for previous periods
(a) Not included in product data above.

SEPTEMBER ORDERS INCREASE TO 976 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for September 1991 totaling 976 million pounds, increased 0.7 percent from the revised August total of 969 million pounds. Orders for Can Stock, which have been strong all year, bounced back from an August low to 344 million pounds. Year-to-Date, can stock orders of 3,219 million pounds have increased 10.6 percent over the same period of 1990. Total industry order receipts are estimated at 9,276 million pounds, down 4.7 percent from the 1990 total of 9,737 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 Sept.	1990 Sept.	1991 9 Mos.	1990 9 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	276.9	284.5	2,853.1	3,237.3	-11.9
Can Stock (a)	344.2	209.5	3,219.1	2,905.4	10.8
Foil	79.2	67.3	676.1	769.9	-12.2
Bar, Rod & Wire	42.3	40.9	341.1	401.7	-15.1
Electrical Conductor	40.5	44.4	437.5	416.5	5.0
Extruded Shapes & Tube	171.0	172.4	1,565.9	1,799.7	-13.0
Powder & Paste	10.8	10.5	86.6	97.3	-11.0
Forgings & Impacts	10.7	12.1	96.6	109.0	-11.4
Total Mill Products	975.6	841.6	9,276.0	9,736.8	-4.7

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cumulative data inciudes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES CONTINUE TO DECLINE

Reported producer inventories continued to decline in August, dropping to a reported total of 3,942 million pounds. This represents a 46 million pound decline from the revised July level of 3,988 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
June	4,046	1,555	519	1,971
July	3,988r	1,445r	518r	2,025r
August	3,942	1,400	553	1,988

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 32.4 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of August 31, 1991 was 32.4, an increase of 1.2 percent over inventories reported at the end of July.

Month-End Aluminum Customer Inventories
(Average Number of Days)

June	32.8
July	32.0
August	32.4

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 Aug.	1990 Aug.	1991* 8 Mos.	1990 8 Mos.	% Change 1991 vs 1990
Imports	Mill Products	66.6	82.2	548.4	690.7	-20.6
	Ingot	196.7	181.5	1,498.0	1,540.9	-2.8
	Total	263.3	263.7	2,046.4	2,231.7	-8.3
	Scrap (+ dross)	40.9	46.6	320.1	411.3	-22.2
	Grand Total	304.2	310.3	2,366.5	2,643.0	-10.5
Exports	Mill Products	136.5	94.2	878.1	729.0	20.5
	Ingot	177.2	86.6	1,156.0	955.2	21.0
	Total	313.7	180.8	2,034.1	1,684.2	20.8
	Scrap	61.9	87.4	790.6	715.9	10.4
	Grand Total	375.6	268.3	2,824.7	2,400.1	17.7
Net Imports		-71.4	42.0	-458.2	242.9	-288.6

Source: Bureau of the Census, U.S. Department of Commerce
(*) Cumulative data may include revisions for previous periods